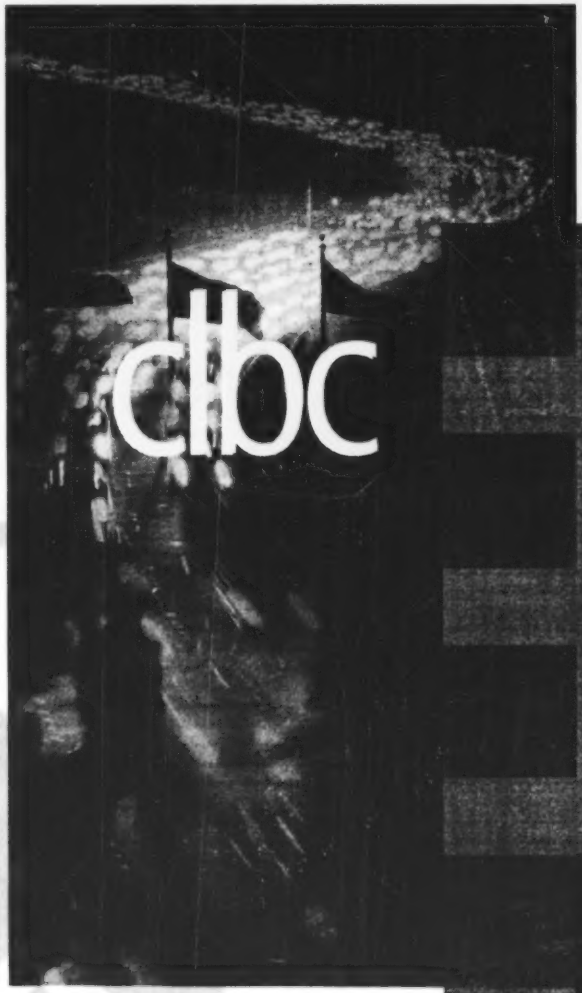
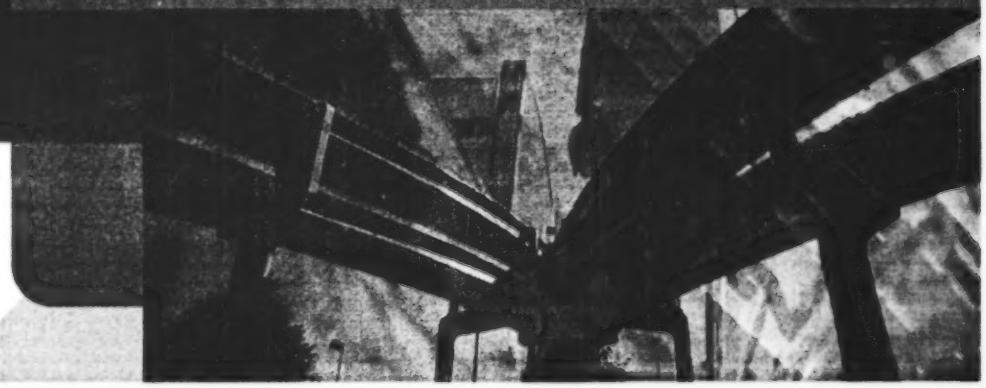


Canadian Labour
and Business Centre

clbc

handbook

IMMIGRATION & SKILL SHORTAGES



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Preface

IMMIGRANTS have always played a vital role in Canada, shaping our culture, our communities and contributing to our economic success. This handbook is about the role of immigration in meeting the national skills challenge facing Canada. What is the skills challenge? It is ensuring that Canada's standard of living and future opportunities for economic success and prosperity are not jeopardized by a lack of needed skills, or limited by the inability of individuals to put skills to use. It's about individual Canadians being equipped with the right skills, and having the resources and capacities to expand and update skills on an on-going basis. What makes this skills challenge a national priority are unique circumstances:

> Canada's labour force growth is expected to remain below one percent over the next three decades. We must make maximum use of our available human resources.

> The Canadian workforce is ageing: workers 45 years of age and over formed an increasing share of the labour force during the 1990s (26 percent in 1990; 34 percent in 2002).

> The near retirement population is growing, with the median retirement age at 61.8.

> Unprecedented international competition among business establishments: to be successful in this environment, business needs to be innovative, and the workforce needs to be skilled. Canada has been successful on both these fronts. Evidence from Statistics Canada's Workplace and Employee Survey for example, tells us that in a given year, one-half of business establishments introduce some product or process innovation. Supporting this innovation is a skilled workforce, in which one out of every two workers holds a post-secondary certificate, diploma or degree.

> Within Canadian sectors, from high tech to transportation to health care, issues of recruitment, retention and

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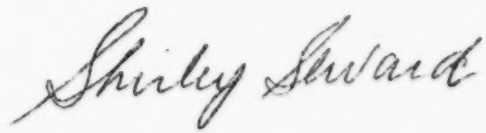
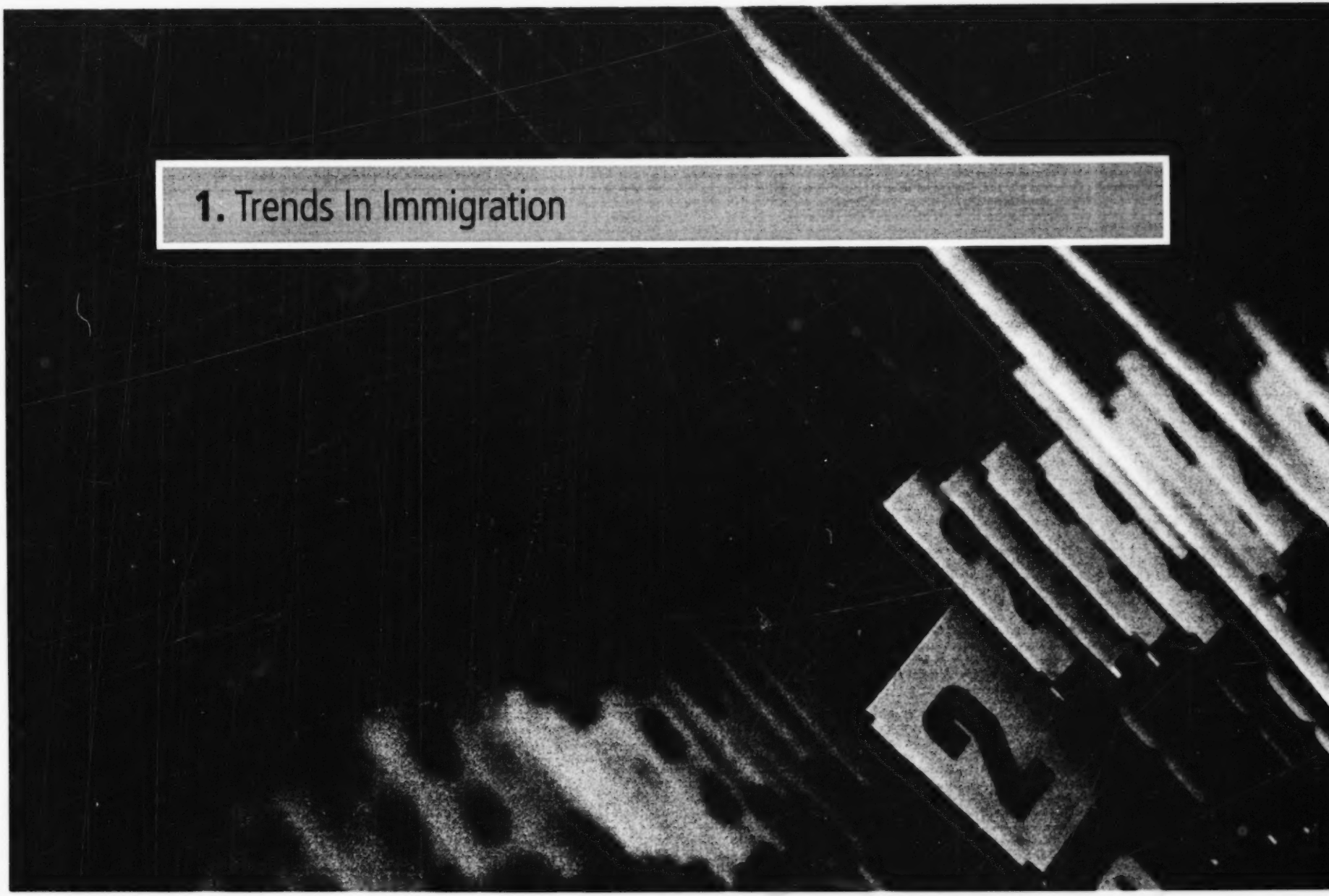
knowledge transfer are increasingly important aspects of dealing with the issues of skills acquisition and retention.

The Canadian Labour and Business Centre's *2002 Viewpoints Survey* found the issue of skill shortages among the top concerns of both business and labour leaders in both the public and private sectors. The Canadian Manufacturers and Exporters' 2003-2004 *Management Issues Survey* found that 40 percent of businesses cited lack of qualified personnel as a constraint on performance improvement, and 25 percent said the availability of skilled personnel is a major challenge they expect to face over the next five years. Canadian Labour Congress President Ken Georgetti recently stated that "it is imperative that we more closely connect the skills agenda to that of economic development".

Over the past decade, recent immigrants have accounted for 70% of Canada's net labour force growth. Immigration cannot solve our skills challenge, but as these numbers suggest, it has to be part of the solution. This handbook provides a factual starting point for those interested in the broad scope of public policy issues that are tied to the role of immigration in meeting Canada's human resource challenges. As a reference tool designed for a wide-ranging stakeholder audience, the *CLBC Handbook on Immigration and Skill Shortages* seeks to draw attention to the factors affecting successful integration and utilization of immigrant skills, and to those aspects of Canada's immigration policies and practices that deserve greater attention if we are to meet the human resource and economic development challenges ahead.



Shirley Seward
CEO, CLBC

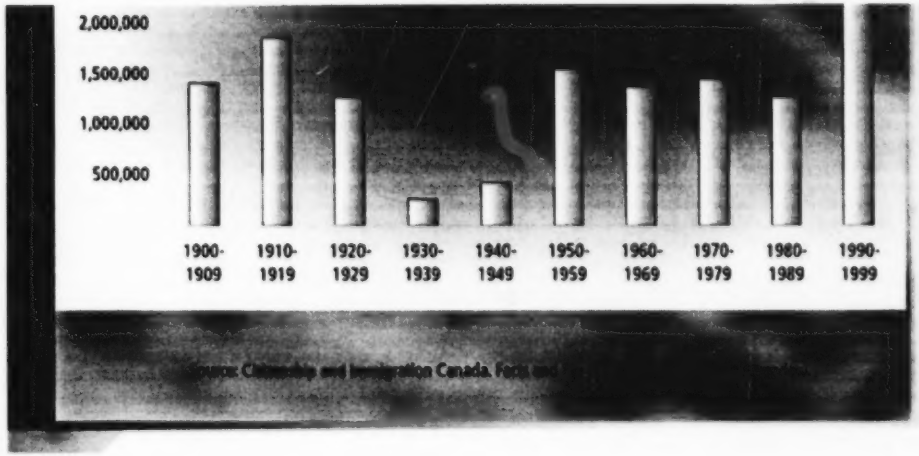


1. Trends In Immigration

How Many Immigrants Come To Canada Each Year?

During the 1990s, an average of 220,000 immigrants came to Canada each year, well above the annual average of the 1980s (125,000 per year). In 2002 – the most recent year for which data is available – 229,091 immigrants made Canada their new home. Citizenship and Immigration Canada has a "long-term objective of moving gradually to immigration levels of approximately one percent of Canada's population, while bearing in mind Canada's absorptive capacity."[1]

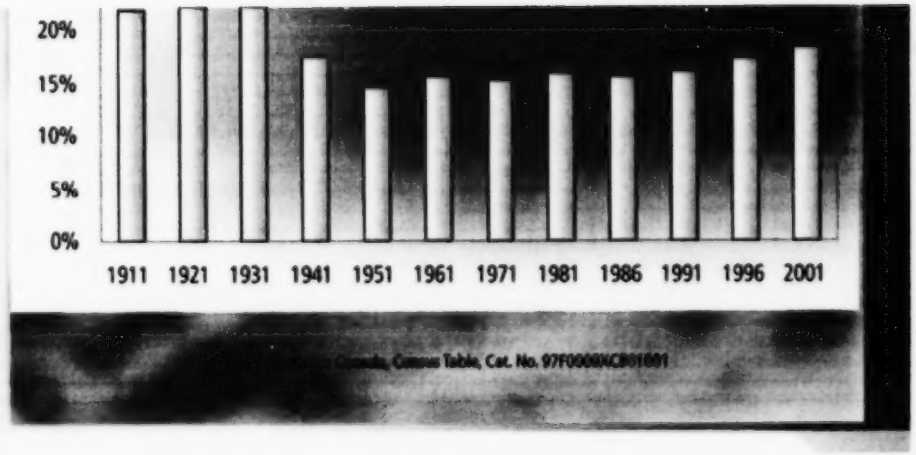
Immigration is an increasingly important component of net population growth in Canada. According to Statistics Canada, immigration represents close to 70% of current population growth, up dramatically from under 20% in 1976. Given today's below-replacement fertility rates, within 25 years immigration will be the only source of net population growth factor, as deaths will outnumber births.



[1] Citizenship and Immigration Canada. Pursuing Canada's Commitment to Immigration: The Immigration Plan for 2002.

One In Five Canadians Is An Immigrant

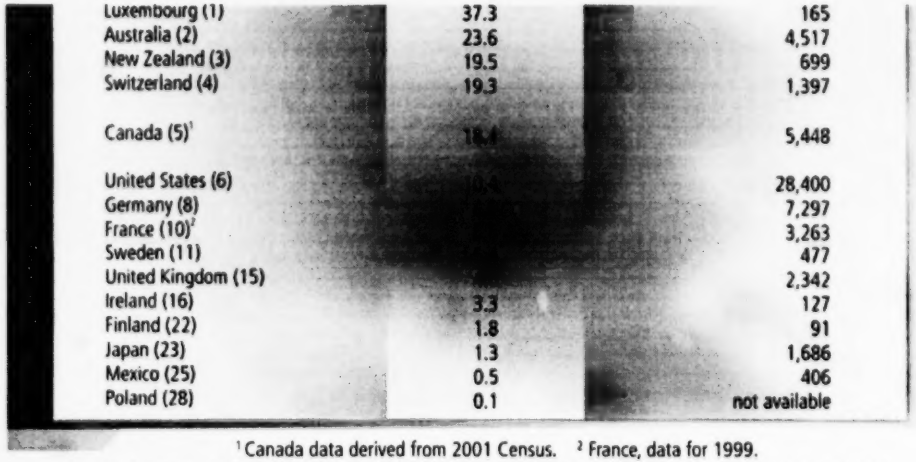
By historical standards, the share of Canada's population composed of immigrants has always been relatively high – between 15% and 22% during the last century. Indeed, Canada's history and development are uniquely tied to immigration. In 2001, 18% of Canadians were immigrants and 39% of the population was either first- or second-generation immigrants, that is, persons born outside Canada or having at least one parent born outside Canada. Because immigration has been a growing factor in recent population growth, trends suggest immigrants will represent an even greater share of the Canadian population in the future.



How Canada Compares With Other OECD Nations

Canada has a relatively large immigrant component to its population. In a comparison of 28 OECD countries, Canada ranked 5th behind Luxembourg, Australia, New Zealand and Switzerland in terms of the share of its resident population that is immigrant. The United States ranked 6th, but with 10.4% of its population composed of immigrants, compared with Canada's 18.4%. Only two other countries – the United States and Germany – have more immigrants than Canada's 5.4 million recorded on the 2001 Census.

While immigrants make up a greater part of the total population in Canada compared to the U.S., some regions within the two countries are quite similar in terms of immigration's contribution to population growth. For instance, in the Northeast United States, all of the population growth between 1990 and 2000 was attributable to new immigrants.[1] In Ontario, the comparable figure covering 1991 to 2001 is 78%.


Luxembourg (1) 37.3 165
Australia (2) 23.6 4,517
New Zealand (3) 19.5 699
Switzerland (4) 19.3 1,397
Canada (5)[1] 18.4 5,448
United States (6) 10.4 28,400
Germany (8) 8.9 7,297
France (10)[2] 5.6 3,263
Sweden (11) 5.3 477
United Kingdom (15) 4.0 2,342
Ireland (16) 3.3 127
Finland (22) 1.8 91
Japan (23) 1.3 1,686
Mexico (25) 0.5 406
Poland (28) 0.1 not available

[1] Canada data derived from 2001 Census. [2] France, data for 1999.
Source: Organisation for Economic Co-operation and Development, Trends in International Migration, 2003.

[1] Immigrant Workers and the Great American Job Machine: The Contributions of New Foreign Immigration to National and Regional Labour Force Growth in the 1990s. Center for Labor Market Studies, Northeastern University, 2002.

The "Old Country" For New Immigrants: Top Ten Places Of Birth Of Recent Immigrants

Immigrants from all over the world come to live and work in Canada. Among Canada's recent immigrants – those arriving in Canada after 1990 – the most common country of birth is the People's Republic of China, followed by India and the Philippines. Ten countries account for about one-half of Canada's recent immigrant population. Nearly three-quarters (73%) of recent immigrants are members of a visible minority.

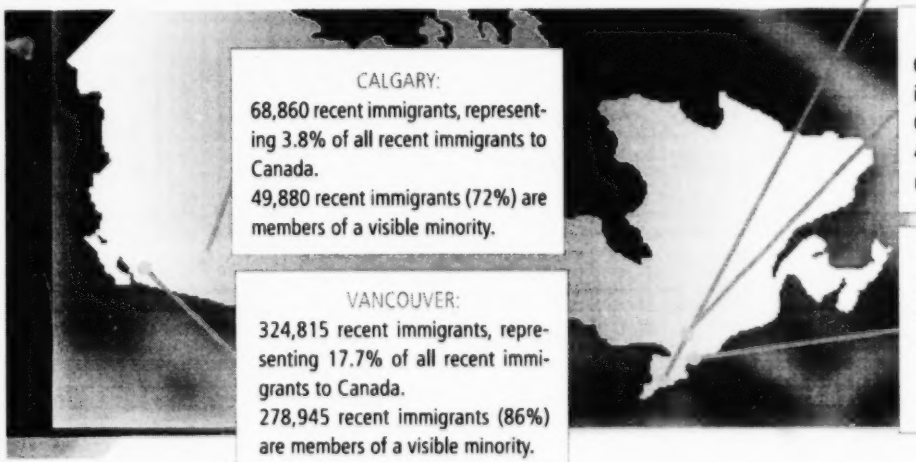
In the context of an increasingly global economy, the diversity of the immigrant population provides Canada with a unique and important opportunity to draw upon the languages, traditions, education, skills and work experience gained abroad. Such diversity also poses challenges in areas such as English/French language training and the assessment and recognition of foreign credentials.

China, People's Repub	197,355	10.8
India	156,120	8.5
Philippines	122,015	6.7
Yugoslavia, former*	67,750	3.7
Sri Lanka	62,585	3.4
Pakistan	57,990	3.2
Taiwan	53,750	2.9
United States	51,440	2.8
Iran	47,075	2.6
Poland	43,370	2.4
Total of Top Ten countries	859,450	46.9
All other countries	971,230	53.1
Total	1,830,680	100.0

* Includes Bosnia-Herzegovina, Croatia, Macedonia, Slovenia, and Yugoslavia.
Source: 2001 Census.

Immigrant Settlement Patterns Within Canada – "It's who you know"

Eighty percent of all immigrants arriving between 1991 and 2001 reside in Canada's five largest urban centres. The Toronto metropolitan area alone is home to 43% of all recent immigrants.



TORONTO:
792,035 recent immigrants, representing 43.3% of all recent immigrants to Canada.
624,040 recent immigrants (79%) are members of a visible minority.

OTTAWA:
63,945 recent immigrants, representing 3.5% of all recent immigrants to Canada.
47,555 recent immigrants (74%) are members of a visible minority.

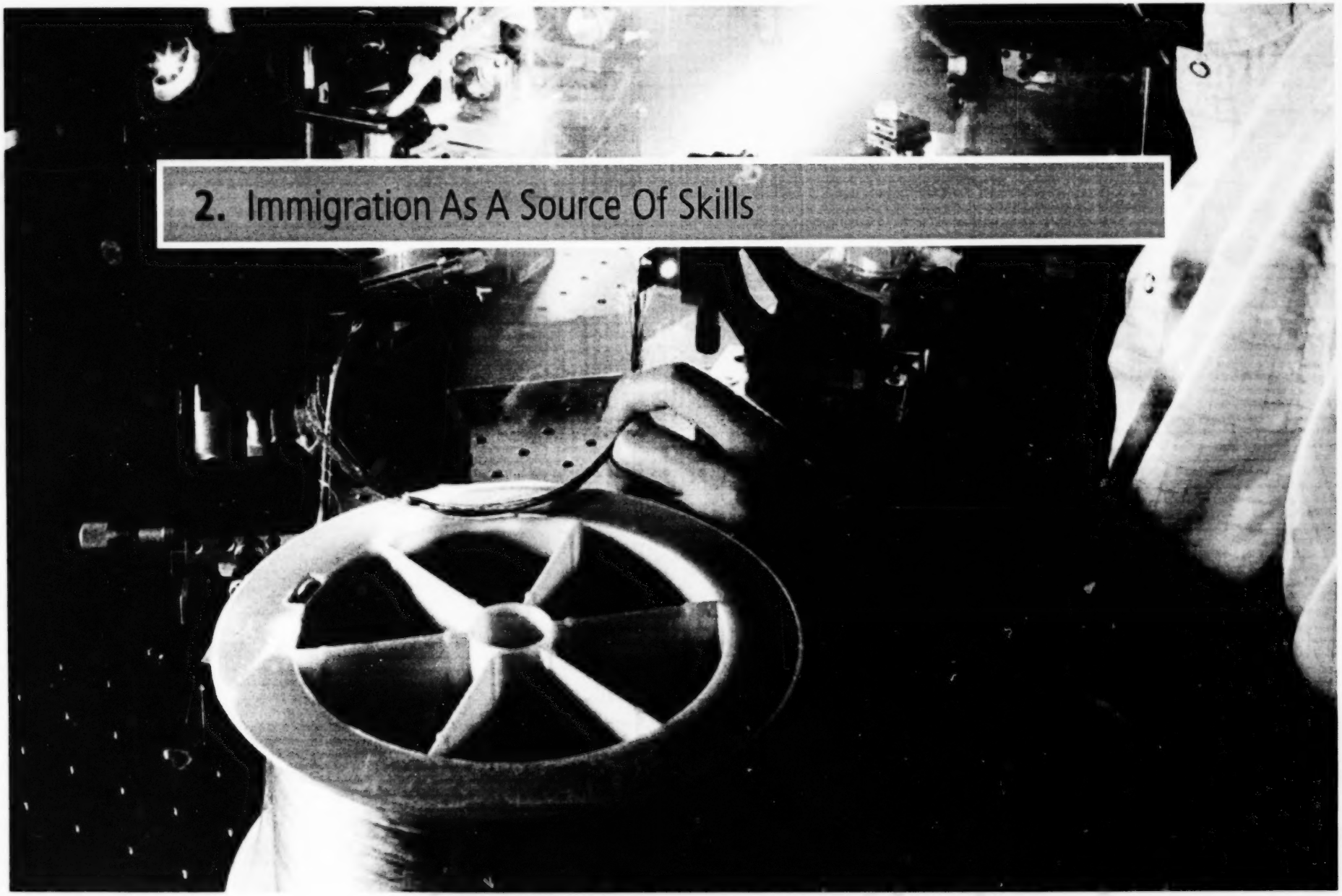
MONTREAL:
215,115 recent immigrants, representing 11.8% of all recent immigrants to Canada.
147,705 recent immigrants (69%) are members of a visible minority.

CALGARY:
68,860 recent immigrants, representing 3.8% of all recent immigrants to Canada.
49,880 recent immigrants (72%) are members of a visible minority.

VANCOUVER:
324,815 recent immigrants, representing 17.7% of all recent immigrants to Canada.
278,945 recent immigrants (86%) are members of a visible minority.

A recent study by Statistics Canada found that the most important reason for choosing a particular location in which to settle was because family or friends were living there.[1] Fifty-nine percent gave this reason. The second most important reason, cited by 14% of immigrants, was job prospects. Family, friendship and community networks appear to be decisively important in the decision about where to reside in Canada. Immigrant settlement patterns have implications for the delivery of employment, education, health, and other services, and are an important factor to consider in Canada's new urban agenda.

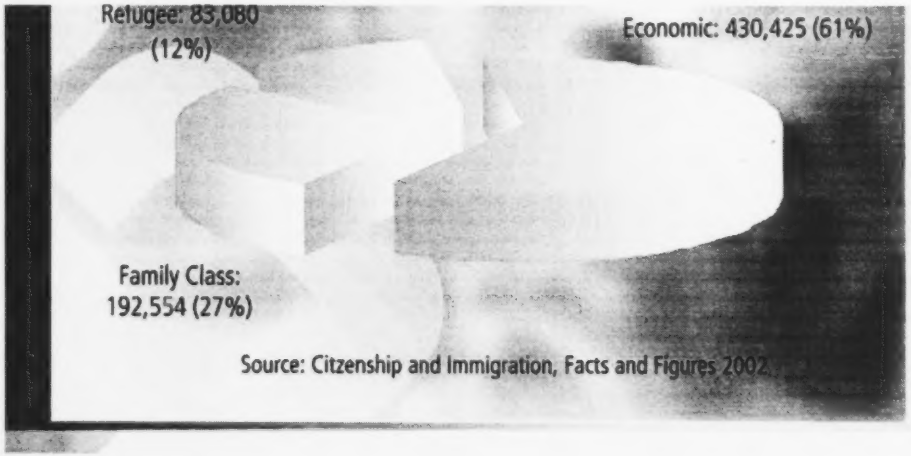
[1] Statistics Canada, Longitudinal Survey of Immigrants to Canada: Process, progress and prospects, 2003, Catalogue no. 89-611-XIE.



2. Immigration As A Source Of Skills

Are Skilled Immigrants Coming To Canada?

Immigrants enter Canada through one of three basic categories. Of the 707,000 immigrants to Canada in the three years starting in 2000 and ending in 2002, more than one-half (61%) entered through the *economic class*. This group includes skilled workers (and their dependents) who are selected on the basis of the knowledge, skills, and experience deemed necessary and appropriate for Canada's labour market. It also includes investors, entrepreneurs, and self-employed immigrants. About 193,000 immigrants (27% of total) came to Canada to join close family members. Refugees made up about 12% of immigrants coming to Canada between 2000 and 2002.



Source: Citzenship and Immigration, Facts and Figures 2002

Three Basic Categories of Immigrants reflect the main goals of Canada's immigration system: family reunification, economic benefit to Canada, and humanitarian commitment.

Family class immigrants are persons who are sponsored by a close family member such as a spouse, fiancé(e), dependent child, parent or grandparent who is already a Canadian citizen or resident.

Economic class immigrants consist of two groups: skilled worker and business immigrants. This class of immigrants is selected for their economic contribution to Canada.

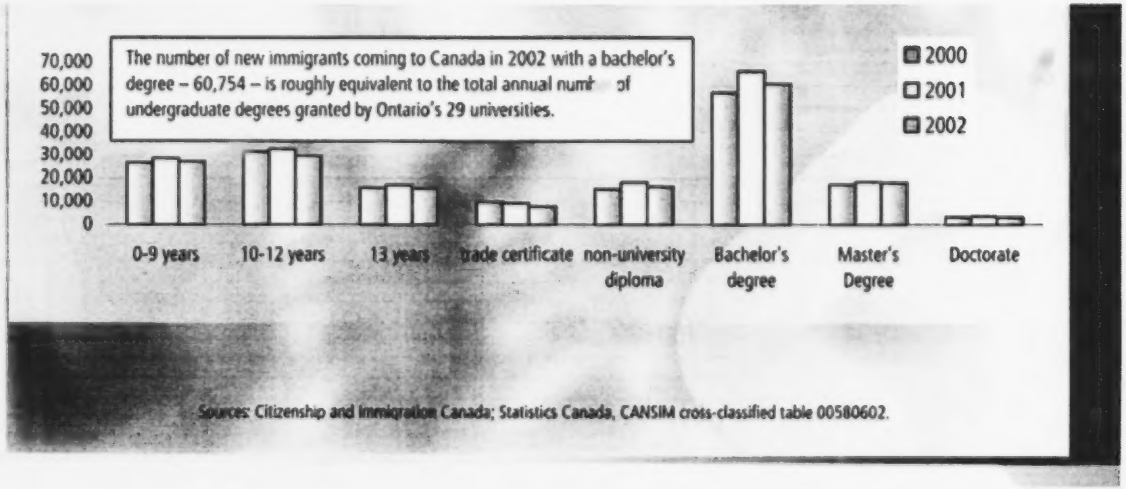
Refugee class immigrants include Convention refugees and other displaced persons resettled from abroad.

Each class includes principal applicants and their dependents.

Immigrant Contribution To An Educated Workforce

Most immigrants enter Canada through the skilled worker immigration stream. To qualify as a skilled worker, principal applicants must have a minimum of one year of full-time work experience in a managerial, professional, technical or other skilled occupation as outlined by Canada's National Occupational Classification system. In addition, skilled worker applicants are evaluated by a point system which takes into consideration level of education, official language proficiency, amount of work experience, age, whether the applicant has arranged employment, and adaptability, which includes such factors as spouse's level of education.

Immigration makes an enormous contribution to the pool of people in Canada with post-secondary qualifications. Among new immigrants aged 15 and over arriving in 2002, 46% held a university degree and a further 13% held some other form of post-secondary credential such as a non-university diploma or trade certificate.



Immigrant Education Levels Reflect Canada's Selection System

The mix of education levels among new immigrants reflects the selection process and basic goals of Canada's immigration system. Over ninety percent of applicants under the skilled worker immigration stream have post-secondary educational credentials. By comparison, 43% of Canadian adults have a post-secondary education. Even the "dependents" of skilled workers (spouses and children) possess significant levels of educational attainment, again above the average for Canadian born men and women. Within the refugee immigration stream, a significant percentage of the population – about one-third – have post-secondary credentials.

Strategies to attract highly skilled immigrants and to facilitate their integration into the Canadian labour market are important policy objectives. It is equally important to address the skills and learning requirements of immigrants without official credentials.

SW (Skilled Worker)	Male Applicants	94
SW	Female Applicants	90
SW	Female Dependents	68
BUS (Business Class)	Male Applicants	62
BUS	Female Applicants	62
SW	Male Dependents	54
FAM (Family Class)	Female Applicants	44
Canadian-born Males		43
Canadian-born Females		43
FAM	Male Applicants	41
BUS	Female Dependents	34
RFG (Refugee)	Male Applicants	33
RFG	Female Applicants	29
RFG	Female Dependents	19
FAM	Male Dependents	18
FAM	Female Dependents	18
BUS	Male Dependents	17
RFG	Male Dependents	13

* Table based on immigrant landings in 2000, 2001 and 2002. Sources: Citizenship and Immigration, Facts and Figures 2002. Data for Canadian-born men and women from 2001 Census. All data refers to people 15 years of age and older.

Scientists And Engineers Are Prevalent Among New Immigrants

Immigrants with post-secondary qualifications have specialized in a broad range of areas including Science, Engineering, Health Care, and Education. In fact, recent immigrants with post-secondary education are more likely than the Canadian-born population to have majored in the physical sciences, engineering and trades (43% compared to 33%). About one in ten recent immigrants with a post-secondary degree or diploma majored in a health related field – slightly below the proportion found among the Canadian-born population.

Given the wide range of education levels and specialties found among Canada's immigrant population, it is not surprising that immigrants represent a significant share of employment within all occupational groups. For example, immigrants fill 27% of Canada's Natural and Applied Science occupations, 22% of management occupations, and 18% of occupations in trades, transport and equipment operations.

Number with post-secondary qualifications	**772,700**	**7,934,370**
Physical Sciences, Engineering and Trades	**42.7%**	**32.8%**
Agricultural and Biological Sciences	5.1%	4.6%
Engineering, Applied Sciences and Trades	27.6%	25.4%
Physical Sciences and Mathematics	10.0%	2.8%
Health Professions, Sciences and Technologies	**9.4%**	**11.3%**
Commerce, Management and Business Admin.	**21.0%**	**22.1%**
Social Sciences, Education and Arts	**26.5%**	**33.5%**
Educational, Recreational & Counseling Services	6.2%	11.3%
Fine and Applied Arts, Humanities, and related fields	11.7%	11.9%
Social Sciences and related fields	8.6%	10.3%
Total	**100%**	**100%**

Source: 2001 Census

Immigrants' Occupational Experience And Skill Levels

	All Classes	Skilled Worker	Business Class	Family Class	Refugee
Total number of immigrants intending to work	369,948	215,537	14,876	87,141	44,271
% with employment experience	60%	81%	78%	24%	21%
Skill Level (Persons with Employment Experience)	%	%	%	%	%
Skill Level A	60	69	10	32	19
Skill Level B	24	23	16	32	28
Skill Level C	9	4	4	24	31
Skill Level D	2	-	-	6	18
Level O (Management Occupations)	6	4	70	7	4
Total	100	100	100	100	100

Skill Levels Defined

Skill level corresponds to the type and/or amount of training or education typically required for the work of an occupation.

Level A occupations require university education at the bachelor's or master's or doctorate level. Level B occupations usually require college education or apprenticeship training. Level C occupations usually require secondary school and/or occupation-specific training. Level D on-the-job training is usually provided for in these occupations. Level O management occupations are not assigned to a skill level category.

Source: Citizenship and Immigration, Facts and Figures 2002.

Many immigrants come to Canada with foreign work experience. However, recognizing the value and Canadian equivalency of foreign work experience is a key challenge facing both employers and job seekers.

Sixty percent of immigrants intending to work upon arrival in Canada have had previous work experience. Among immigrants coming through the skilled worker or business class streams, this proportion rises to 80%. Applying the standards of Canada's National Occupational Classification System, 84% of newcomers with employment experience had occupations that usually require a university degree, college education or apprenticeship training (skill levels A or B). Within the skilled worker stream, 92% of immigrants with employment experience were within skill levels A or B. Very few immigrants with work experience – just 2% – were at skill level D – occupations requiring no formal education.

Employed Immigrants: An Industry Sector Profile

Immigrants account for one out of every five employed Canadians. Recent immigrants – those in Canada for 10 years or less – number 893,330 and represent 6.1% of the employed population. While all industry sectors rely on immigration as a source of labour, the degree of this reliance varies considerably. At the top of the list is the manufacturing sector. Out of 19 major industry sectors, manufacturing is the most likely to employ immigrant labour. In that sector, 27% of the employed workforce is foreign-born, while nearly one out of ten (9.4%) is a recent immigrant. Within some sub-sectors of manufacturing, such as clothing manufacturing, computer and electronic product manufacturing, and plastics and rubber manufacturing, the share of employment held by immigrants is even more pronounced (57%, 39% and 33% respectively).

The share of immigrants in the employed workforce of different industry sectors is affected by immigrant settlement patterns. Because a large

Industry Sector[1]	Total Employed	Number of Recent Immigrants (entered country within the last 10 years)	Recent Immigrants as a % of total employed	All Immigrants as a % of total employed
Manufacturing	2,033,165	190,505	9.4%	27.4%
Administrative and Support, Waste Management and Remedial Services	556,335	49,745	8.9%	24.4%
Professional, Scientific and Technical Services	937,885	79,775	8.5%	25.4%
Wholesale Trade	656,925	45,385	6.9%	21.1%
Management of Companies and Enterprises	14,810	1,000	6.8%	24.9%
Other services except public administration	708,310	47,120	6.7%	22.2%
Information and Cultural Industries	395,460	25,495	6.4%	19.9%
Finance and Insurance	617,090	39,265	6.4%	23.4%
All industry sectors	14,695,135	893,330	6.1%	20.3%
Retail Trade	1,659,720	95,620	5.8%	17.3%
Real Estate and Rental and Leasing	249,065	13,095	5.3%	23.8%
Transportation and Warehousing	735,685	38,465	5.2%	19.0%
Health Care and Social Assistance	1,467,865	66,995	4.6%	19.2%
Arts, Entertainment and Recreation	276,065	11,150	4.0%	14.8%
Educational Services	986,340	37,365	3.8%	17.7%
Construction	795,010	28,945	3.6%	17.7%
Agriculture, forestry, fishing and hunting	509,430	14,515	2.8%	11.1%
Utilities	115,310	2,370	2.1%	13.4%
Public Administration	866,625	15,455	1.8%	11.7%
Mining and Oil and Gas Extraction	155,360	2,525	1.6%	8.7%

[1] Industry Sector based on 1997 North American Industry Classification System (NAICS) Source: 2001 Census, custom tabulations

percentage of immigrants settle in large urban centres, employers in smaller cities or rural or remote communities may have less access to their labour and skills. In the mining, oil and gas extraction sector, for example, less than ten percent of the employed workforce are immigrants, and less than 2 percent recent immigrants.

Contribution Of Immigrants To Labour Force Growth

Between 1991 and 2001, 978,000 immigrants arrived in Canada and joined the country's workforce. These recent immigrants represented 70 percent of the decade's total net labour force growth.[1] During this period, several sectors[2] of the economy were particularly reliant on immigration as a source of labour:

> In retail trade, 110,245 recently arrived immigrants joined the sector's workforce. Since the sector's overall net labour force growth was 36,410, recent immigrants represent more than 300% of the sector's net labour force growth.

> In health and social services 75,000 recent immigrants accounted for 24% of that sector's net labour force growth.

> In the construction sector, the total labour force declined by about 13,000 or 1.4% even though nearly 33,000 recent immigrants joined that sector's labour force.

> In the provinces of Quebec, Ontario and British Columbia, where a large percentage of immigrants settle, immigration has played an even bigger role as a source of labour and skills.

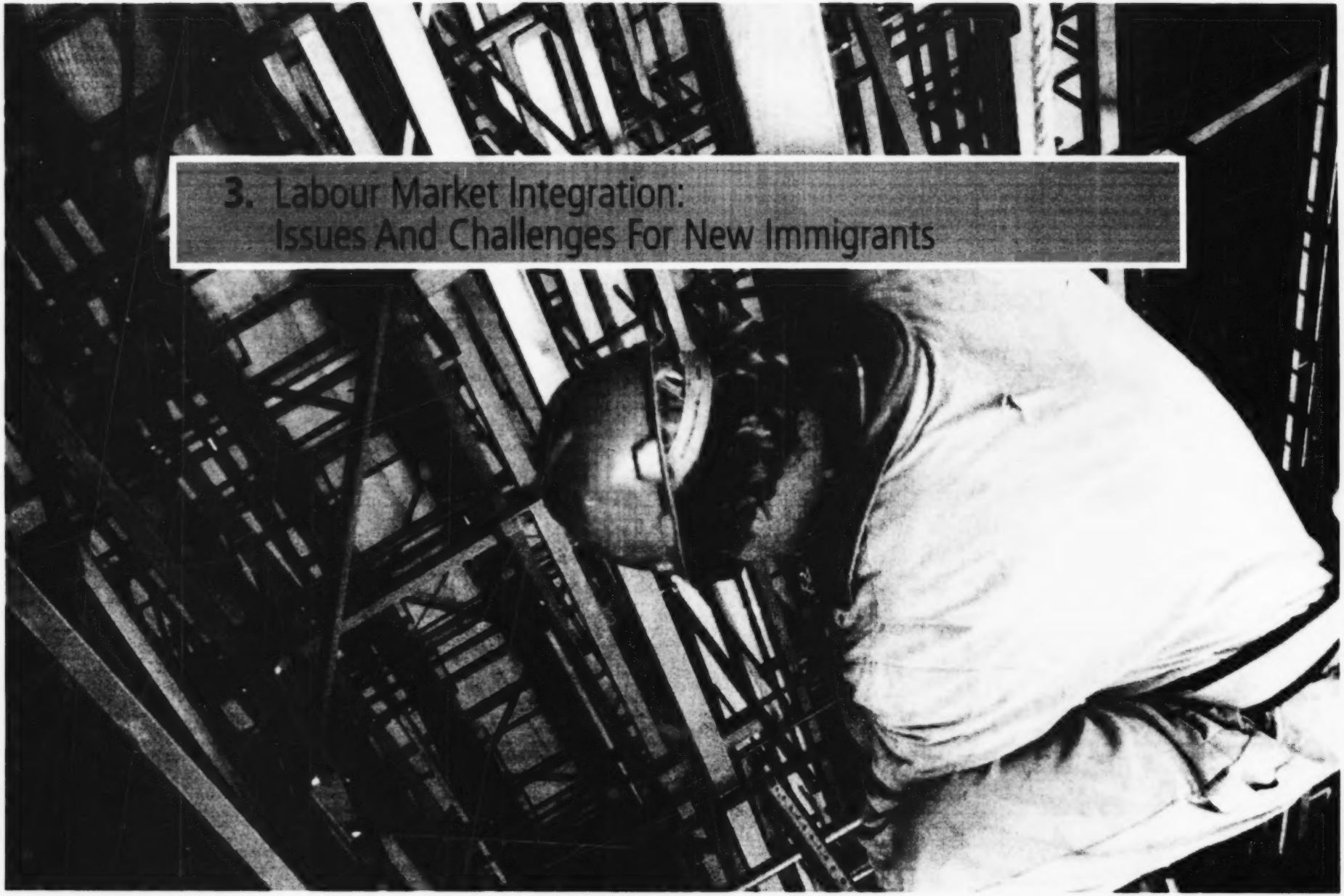
[1] Canada's reliance on immigration for labour force growth is greater than – but not dissimilar to – that of the United States. Between 1990 and 2000, 50% of U.S. labour force growth was due to immigration. See *Immigrant Workers and the Great American Job Machine: The Contributions of New Foreign Immigration to National and Regional Labour Force Growth in the 1990s*. Andrew Sum, Neeta Fogg, Paul Harrington. Northeastern University, Center for Labor Market Studies.

[2] For the analysis of changes in labour force between 1991 and 2001, it is necessary to use the 1980 Standard Industrial Classification System (SIC), rather than the more recently developed 1997 North American Industrial Classification System. Labour force counts within industry sectors are based on the "experienced labour force," which refers to persons currently employed or unemployed but with work experience in the past 17 months. The experienced unemployed are assigned the sector of their previous job.

Contribution of Immigrants to Labour Force Growth, 1991-2001, by Industry Sector, Canada

Industry (1980 Standard Industrial Classification)	Labour force in 1991	Labour force in 2001	net growth in labour force 1991-2001	recent immigrant labour force	recent immigrant % of net growth
Retail trade industries	1,831,350	1,867,760	36,410	110,245	303%
Manufacturing industries	2,084,115	2,209,450	125,335	207,820	166%
Accommodation, food and beverage service industries	909,710	1,055,485	145,775	94,925	65%
Other service industries	944,065	1,123,960	179,895	78,090	43%
Transportation and storage industries	581,815	659,550	77,735	33,130	43%
Educational service industries	972,520	1,077,970	105,450	44,370	42%
Real estate operator and insurance agent industries	233,705	274,450	40,745	13,275	33%
Wholesale trade industries	614,340	819,050	204,710	53,025	26%
Fishing and trapping industries	48,170	49,720	1,550	395	25%
Business service industries	802,405	1,298,135	495,730	126,255	25%
Health and social service industries	1,277,340	1,584,165	306,825	75,000	24%
Government service industries	1,111,385	876,915	-234,470	16,710	*
Logging and forestry industries	106,485	97,845	-8,640	860	*
Mining (including milling), quarrying and oil well industries	192,025	171,655	-20,370	2,785	*
Agricultural and related service industries	521,335	456,075	-65,260	16,615	*
Communication and other utility industries	479,185	459,800	-19,385	19,040	*
Construction industries	933,425	920,395	-13,030	32,960	*
Finance and insurance industries	576,865	574,195	-2,670	39,230	*

*Implies that the ratio cannot be calculated since labour force growth between 1991 and 2001 was negative.
Source: Prepared by the Canadian Labour and Business Centre using 2001 Census, custom tabulations.



3. Labour Market Integration: Issues And Challenges For New Immigrants

Most Common Hurdles To Employment

Immigrants to Canada often experience difficulties finding jobs commensurate with their skills and education. According to the initial results from a new survey by Statistics Canada, which tracks immigrants' success in the Canadian labour market after arrival in Canada, 70% of newcomers said they had encountered problems or barriers in the job finding process. Lack of Canadian work experience, transferability of foreign credentials, and lack of official language skills were the most critical hurdles to employment.

The barriers faced by individual immigrants looking for employment are the same as those faced by employers looking for new employees. The Canadian Labour and Business Centre's survey of business leaders finds that language, work experience and difficulties assessing foreign credentials are the most commonly cited problems in the hiring process. In short, these issues are not simply immigrant issues, but labour market issues.

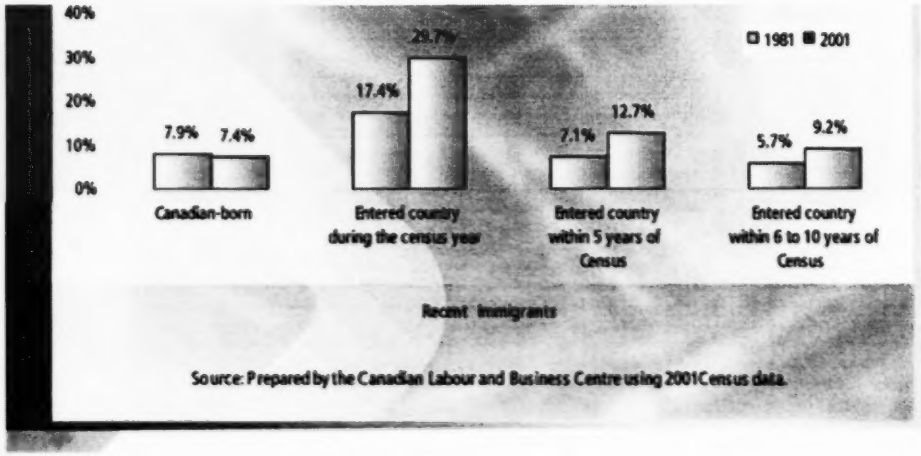
	Seekers	Expecting to Hire
Percent of Immigrants reporting problems in finding employment / Percent of Managers expecting problems hiring foreign-trained workers	70%	72%
Most Commonly Cited Problems		
Lack of Canadian Work Experience	26%	46%
Transferability of Foreign Credentials	24%	52%
Lack of Official Language Skills	22%	66%

Sources: Immigrant job seeker data from Statistics Canada Longitudinal Survey of Immigrants to Canada, Catalogue no. 89-611-XIE; Managers data from Canadian Labour and Business Centre's Viewpoints 2002 Survey.

The Transition Penalty… Unemployment Among Recent Immigrants To Canada

Generally, new immigrants to Canada have very high levels of unemployment. This can be expected as they are just beginning the job seeking process. As their time in Canada increases, their level of unemployment falls, eventually coming to match the level of unemployment found among the Canadian-born population.

Apart from issues of equity, health and well-being, or social cohesion, Canadians should be concerned about a deepening transition penalty because it constitutes an increasingly protracted under-utilization of labour and skills, which is particularly important in light of growing concerns about skill shortages.



Source: Prepared by the Canadian Labour and Business Centre using 2001 Census data.

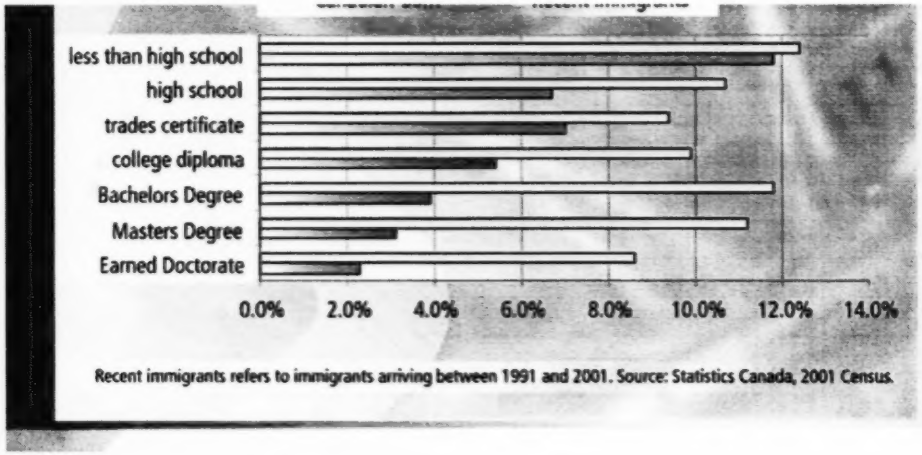
Twenty years ago, the unemployment rate among those immigrants who had arrived in Canada during the 1981 Census year[1] was 17.4%, much higher than that of the Canadian-born population (7.9%). However, for those in Canada for 1-5 years, the immigrant unemployment rate had fallen to a level just *below* that of the Canadian-born population (7.1%). Fast forward 20 years, and things seem to have gotten worse. The 2001 Census tells us that those immigrants who had been in Canada for less than five months face an unemployment rate of roughly 30%.

More troubling is that recent immigrants who had been in Canada 1-5 years still have an unemployment rate *significantly higher* than that of the Canadian-born population (12.7% compared with 7.4%). Indeed, it now takes more than 10 years in Canada before the observed unemployment rate of immigrants falls to the level found among the Canadian-born population.

[1] Because the Census is carried out in May, this group of immigrants will have been in Canada for less than five months.

The More Education, The Deeper The "Penalty"

In 2001, the unemployment rate among recent immigrants was 1.5 times that of the Canadian- born unemployment rate (11.4% compared with 7.4%). As education levels increase, the relative difference between the unemployment rates of immigrants and the Canadian-born also increases. Consider recent immigrants with a bachelor's degree; they have unemployment rates that are three times greater than Canadian-born degree holders (11.8% compared with 3.9%). The highest ratios occur among recent immigrants with Masters degrees or earned Doctorates. Their unemployment rates are more than 3.5 times higher than Canadian-born with graduate level degrees. Even though the demand for post-secondary credentials appears to be high, recent immigrants with university education have roughly the same rate of unemployment as those who did not complete high school.



Recent immigrants refers to immigrants arriving between 1991 and 2001. Source: Statistics Canada, 2001 Census.

Unemployed Recent Immigrants Have High Levels Of Educational Attainment

At the time of the 2001 Census, more than one-half (56%) of unemployed recent immigrants held some form of post-secondary credential, while one in three (34%) held a university degree at the bachelor's level or higher. In comparison, one-third of the Canadian-born unemployed had post-secondary credentials, with 8% in possession of a university degree.

While finding a job can be a problem for any individual, the employment prospects for new immigrants are often diminished due to difficulties acquiring Canadian recognition for qualifications obtained in other countries. The licensing bodies of various trades and professions may not accept foreign obtained certification, and employers may have difficulty assessing educational credentials or may undervalue foreign work experience. Unfortunately, these difficulties too often result in an under-utilization of immigrant skills.

	Unemployed Recent Immigrants	Unemployed Canadian-born
Less than high school	19%	34%
High School only[1]	25%	30%
Trades certificate	6%	12%
College[2]	16%	15%
University degree	34%	8%
All education levels	100%	100%
Number	115,010	934,660

[1] Includes incomplete post-secondary

[2] Includes university certificate below Bachelor's

Source: 2001 Census.

Matching Skills And Jobs

Skills are also underutilized when not matched to the appropriate job. The job-skills "mismatch" may occur for several reasons. Problems assessing and recognizing immigrant credentials, difficulties in official languages, or lack of requisite Canadian work experience are commonly cited barriers to finding employment that is commensurate with skills.

A study by Statistics Canada compared occupations of immigrants before and after arrival in Canada and found that 60% of new immigrants did not find employment in the same occupational fields they had prior to arriving in Canada.[1] Most of these people (52%) were looking for another job.

> After six months in Canada, 24.9% of employed immigrant men and 37.3% of employed immigrant women were working in sales and service occupations. Before arriving in Canada, only 10.2% of these men and 12.1% of these women were employed in such occupations.

> On the other hand, only about one-half of immigrants who were previously employed in natural and applied science occupations had these occupations after arrival in Canada.

	Men		Women	
	Occupation before arrival	Occupation in Canada	Occupation before arrival	Occupation in Canada
Occupations unique to processing, manufacturing and utilities	4.1%	22.3%	4.4%	17.9%
Sales and Service occupations	10.2%	24.9%	12.1%	37.3%
Occupations in business, finance and administration	8.1%	9.8%	25.3%	17.9%
Trades, Transport and Equipment Operators	9.9%	10.4%	0.7%	2.7%
Health Occupations	3.5%	1.8%	10.0%	4.2%
Occupations in social science, education, government services	7.3%	4.8%	17.6%	6.2%
Other occupations	5.6%	2.8%	5.1%	4.4%
Management occupations	12.7%	4.4%	8.0%	2.6%
Natural and Applied Sciences	38.6%	18.8%	16.8%	6.8%

Source: Statistics Canada, Catalogue 89-611-XIE.

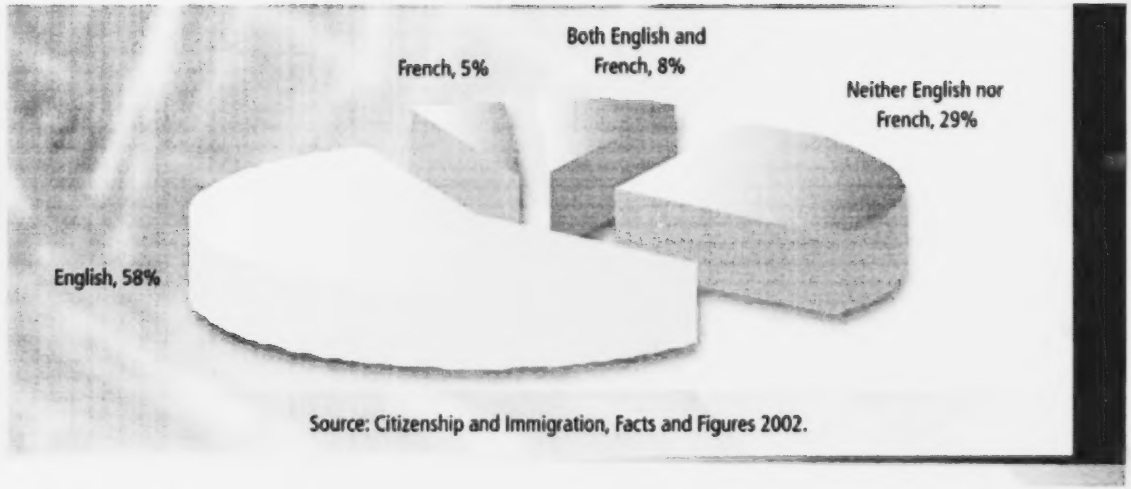
[1] Statistics Canada, Longitudinal Survey of Immigrants to Canada: Process, progress and prospects. Catalogue 89-611-XIE.

Language Skills

Of all immigrants landed between 2000 and 2002 and intending to join the labour force, 71% indicated abilities in at least one of Canada's two official languages. About 10% spoke both English and French. However, a sizeable share of newcomers (29%) did not have language ability in either language. As a result, many immigrants seek language training to upgrade their skills and improve their employment prospects.

While the majority of job-seeking immigrants (71%) possess language abilities in English or French at the time of their landing, this proportion varies by immigration class:

- Skilled worker: 76%
- Business Class: 38%
- Family Class: 65%
- Refugee Class: 67%



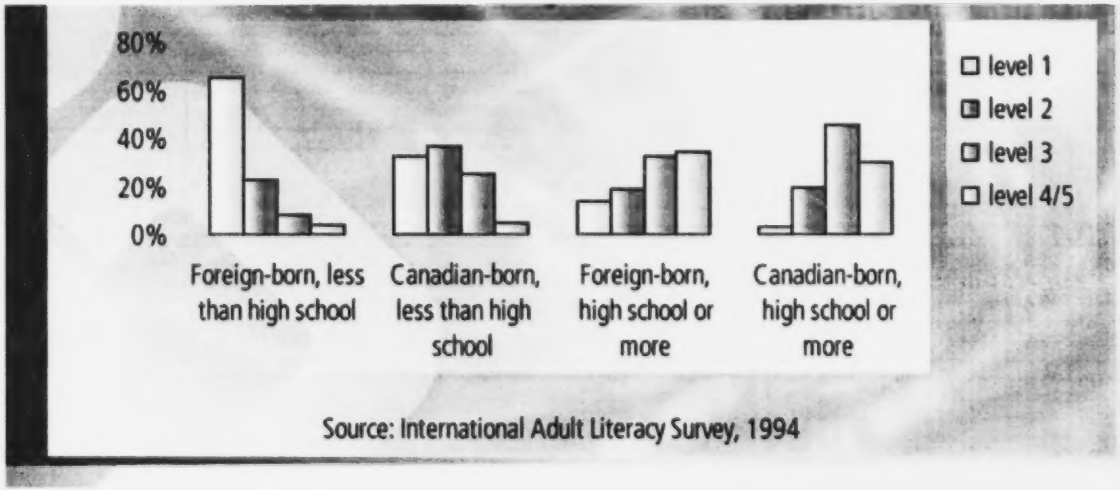
Source: Citizenship and Immigration, Facts and Figures 2002.

Improving Literacy Skills

While the majority of immigrants have official language abilities at the time of landing in Canada, their actual literacy skills, like those of the rest of the Canadian population, vary considerably. Among persons with low levels of formal education (less than high school), official language literacy scores commonly fall into the lowest proficiency range (level 1). When education levels increase, literacy skills tend to be much higher.

However, a recent study found that literacy and numeracy levels are below the averages of the Canadian-born population with equivalent educational credentials.[1]

Investments in literacy skills are important. Employment prospects and outcomes are significantly affected by one's ability to understand and use information from texts, to locate and use information contained within documents and forms, or to apply arithmetic operations. These are essential skills in the knowledge economy.



Source: International Adult Literacy Survey, 1994

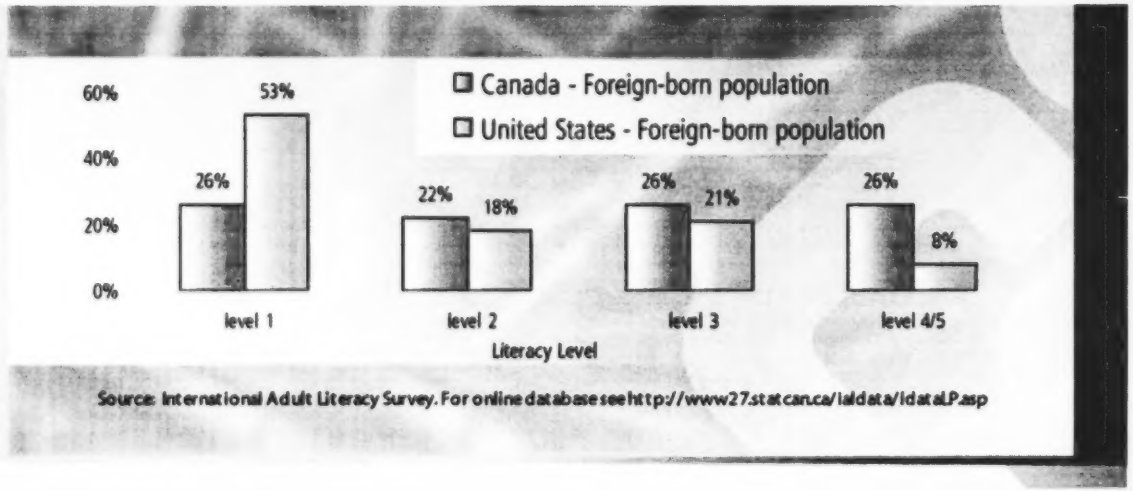
[1] Statistics Canada and HRSDC, The Effect of Literacy on Immigrant Earnings. Catalogue 89-552-MIE, no.12.

How Different Are Immigrants To Canada And The United States?

While immigration has played a central role in the economic health of both Canada and the United States, there are important distinctions to be made in both the levels of immigration and the characteristics of immigrants settling in these two countries.

Approximately one million immigrants arrive in the United States each year, about 4 to 5 times the number of immigrants entering Canada. As a percentage of the resident population, Canada's annual immigration levels are nearly double that of the United States. Nevertheless, immigration has become the determinate factor in the population and labour force growth of both countries.

One of the most striking differences in the characteristics of immigrants to Canada and the United States is in levels of education and literacy. The US Center for Immigration Studies finds that 60% of the recent immigrant workforce had high



Source: International Adult Literacy Survey. For online database see http://www27.statcan.ca/ialdata/idataLP.asp

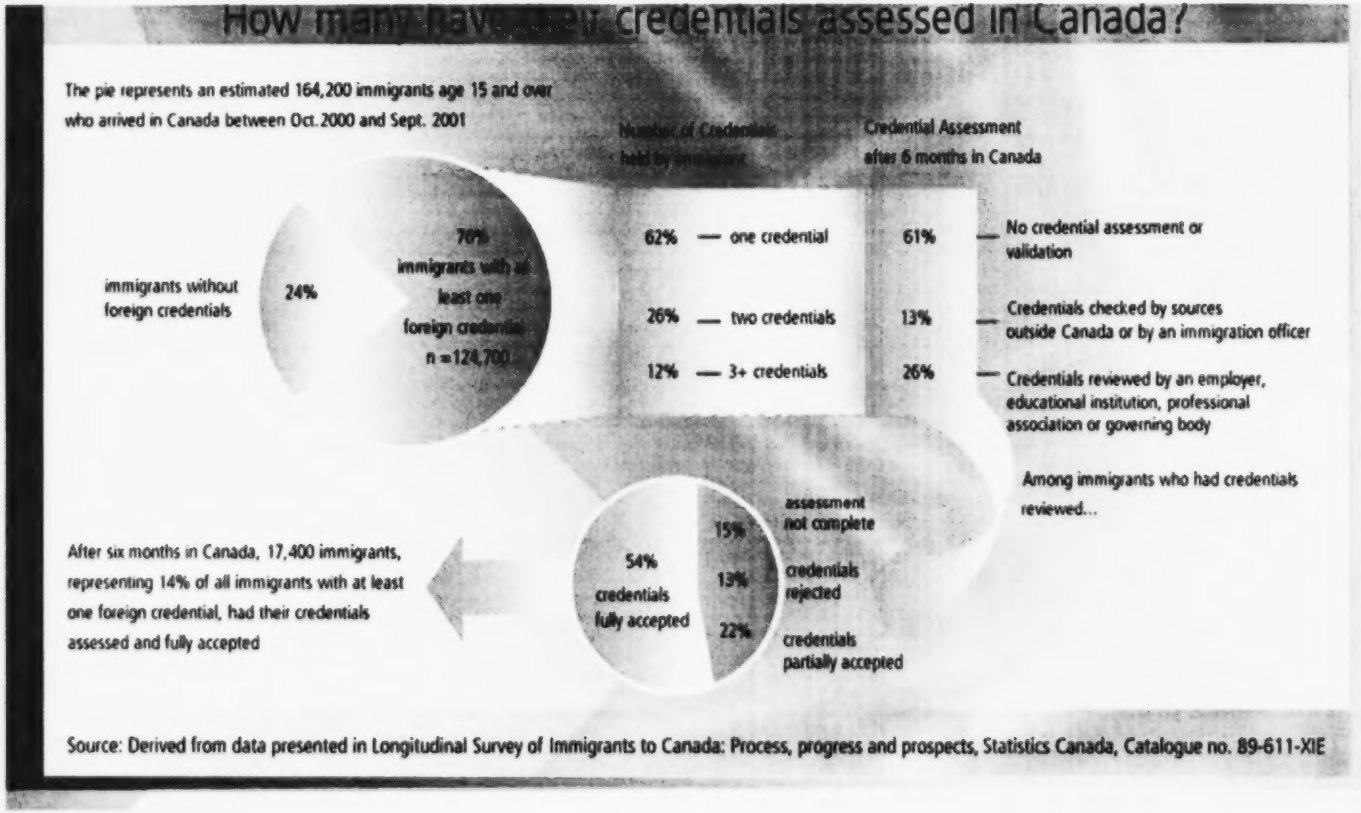
school education or less – compared to 40% of the U.S. born population. In contrast, only 30% of Canada's recent immigrant workforce had high school education or less, below the percentage found among the Canadian-born population (36%).[1] International Adult Literacy Surveys find that 26% of Canada's immigrants score high on the composite measure of literacy proficiency, which measures prose literacy, document literacy and quantitative literacy. In the United States, 8% of immigrants achieve the same level of literacy.

[1] Source for United States data is the Center for Immigration Studies, "Immigrants in the United States – 2002: A Snapshot of America's Foreign-Born Population" http://www.cis.org/articles/2002/back1302.html. US statistics refer to immigrants entering the US between 1990 and 2002, and who were 18 or older in 2001 and worked a full-time schedule at least part of 2001. Canada statistics are from the 2001 Census, and refer to immigrants arriving between 1991 and 2001, who were 15 or older in 2001 and were employed at the time of the Census.

Recognition Of Credentials

Many immigrants to Canada arrive with impressive credentials. However, the training and certification that contributed to the points necessary to enter the country, are often rejected in the employment line. Given the number of immigrants entering Canada and the incredible diversity of countries in which certification was obtained, the problem of credential recognition, the need for assessment services and flexibility of licensing bodies has never been greater.

Many of today's occupations require certification from a recognized educational institution, professional association or governing body. A recent survey by Statistics Canada illustrates the painful progress made by skilled immigrants seeking recognition for credentials earned outside Canada. Between October 2000 and September 2001, a total of 124,700 immigrants arrived in Canada with one or more foreign credentials. After six months in Canada, only 14% of these immigrants had their credentials assessed and fully accepted. For newcomers whose credentials are not fully accepted, information about Canadian standards and opportunities to pursue full certification are equally important.


How many have their credentials assessed in Canada?
The pie represents an estimated 164,200 immigrants age 15 and over who arrived in Canada between Oct. 2000 and Sept. 2001
Number of Credentials held by immigrant
Credential Assessment after 6 months in Canada
immigrants without foreign credentials
24%
76% immigrants with at least one foreign credential n=124,700
62% — one credential
26% — two credentials
12% — 3+ credentials
61% — No credential assessment or validation
13% — Credentials checked by sources outside Canada or by an immigration officer
26% — Credentials reviewed by an employer, educational institution, professional association or governing body
Among immigrants who had credentials reviewed...
15% assessment not complete
13% credentials rejected
22% credentials partially accepted
54% credentials fully accepted
After six months in Canada, 17,400 immigrants, representing 14% of all immigrants with at least one foreign credential, had their credentials assessed and fully accepted

Source: Derived from data presented in Longitudinal Survey of Immigrants to Canada: Process, progress and prospects, Statistics Canada, Catalogue no. 89-611-XIE

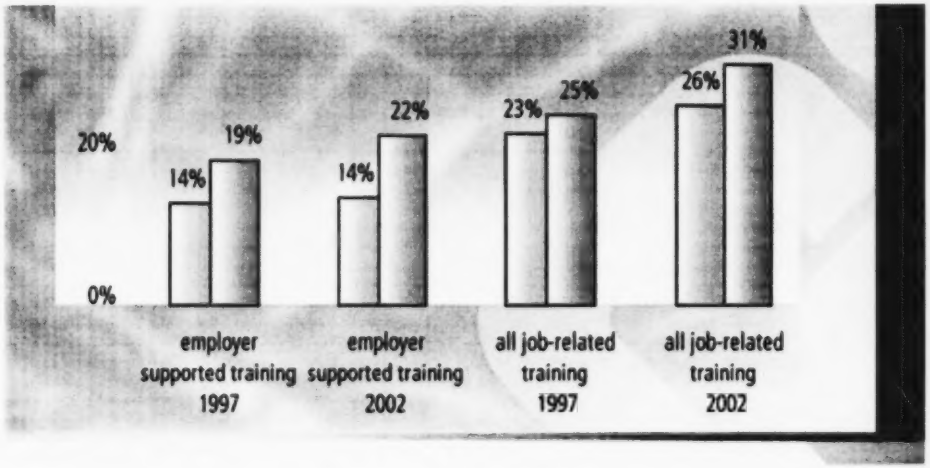
Getting Training In Canada

Despite arriving in Canada with high levels of education and foreign certification, immigrants also demonstrate a keen interest in furthering their training after arrival. A new longitudinal survey of immigrants to Canada[1] found 67% of newcomers planned to further their education or training – 90% among those between the ages of 15-24, 70% among those 25-44, and 42% for those between the ages of 45–64.

Significantly, 40% of immigrants intending to seek further training reported one or more problems in executing their plans. Of these, 27% reported language as the most serious barrier, 25% cited financing, 11% the availability of courses, 9% lacked time, and 8% were thwarted by credential recognition problems.

[1] Statistics Canada, Longitudinal Survey of Immigrants to Canada: Process, progress and prospects. Catalogue no. 89-611-XIE, October, 2003.

An additional cause for concern is the level of employer supported training. While in recent years there has been some growth in the percentage of Canadian-born workers receiving such training, this is not the case among immigrants: 22% of



Canadian-born workers received employer supported training in 2002, up from 19% in 1997. The comparable figure for immigrants remained static at 14% over this period.

Predictably, language training is very important to many immigrants. Of the nearly one in two immigrants who had taken training within their first six months in Canada, 58% had taken English language training and 10% had taken French language training.

The Canadian Labour and Business Centre was established in 1984 and has evolved as a centre for business-labour dialogue and consensus building. Effective public policy in labour market and skills issues requires broadly-based stakeholder engagement. In addition to labour and business, the Centre enjoys active Board participation from federal, provincial and territorial governments, and from universities and community colleges. This combination has enabled the Centre to build a unique Canadian forum. The CLBC extends appreciation to Citizenship and Immigration Canada for its contribution to the CLBC *Handbook, Immigration and Skill Shortages*.

Canadian Labour and
Business Centre

340 MacLaren Street, Ottawa, Ontario K2P 0M6
Email: info@clbc.ca Website: www.clbc.ca
Tel: (613) 234-0505 Fax: (613) 234-2482

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